

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4570-01
Bill No.: SB 1263
Subject: Motor Vehicles; Consumer Protection; Insurance - Automobile
Type: Original
Date: March 16, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue, Missouri Department of Transportation** and **Department of Insurance** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

A direct fiscal impact to small businesses could be expected as a result of this proposal.

DESCRIPTION

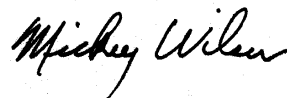
This proposal makes several changes in the laws regarding car rental contracts. The proposal changes the definition of "authorized driver" as it is used in car rental contracts to include only the actual renter, the renter's spouse (if qualified) and any person expressly listed in the renter's contract. The current law includes the renter's employer or co-workers, drivers who operate the vehicle during an emergency situation, and those who park the rental vehicle at a commercial establishment. The proposal prohibits car rental companies from requiring the purchase of damage waiver, optional car rental insurance or other optional products.

The proposal revises the written notice that must appear on every car rental contract regarding the purchase of optional insurance coverage. The notice shall state that the consumer may wish to determine whether if his or her personal insurance or credit card will provide coverage for the rental car. The proposal requires car rental companies to post a clear and conspicuous sign on the premises that informs the consumer about collision damage waiver, any other optional car rental insurance, and how the consumer's own auto insurance policy or credit card might already offer that protection. This proposal makes a car rental company subject to a \$50 fine for each violation, up to \$10,000 in any calendar year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Department of Revenue
Missouri Department of Transportation
Department of Insurance

A handwritten signature in black ink, appearing to read "Mickey Wilson". The signature is written in a cursive, flowing style.

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Mickey Wilson, CPA
Director
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